

Staff Summary Report



Council Meeting Date: 08/20/09

Agenda Item Number: _____

SUBJECT: Request approval of a resolution approving the new Post Employment Health Plan Policy effective July 1, 2009 and authorizing its execution, and amending the current Tempe Health Plan document.

DOCUMENT NAME: 20090820hrjr03 **HEALTH INSURANCE (0303-03-01) Resolution No. 2009.86**

COMMENTS: Resolution 2009.86 approves the establishment and execution of the City's new Post Employment Health Plan Policy and amends the current Tempe Health Plan document.

PREPARED BY: Jon O'Connor, Deputy Human Resources Manager (350-8423)
Lynna Soller, Benefits Administrator

REVIEWED BY: Charlie Meyer, City Manager (350-8884)
Renie Broderick, Human Resources Manager (350-8407)

LEGAL REVIEW BY: Dave Park, Assistant City Attorney (350-8575)

FISCAL NOTE: As determined by the City's independent actuary, these changes to the post employment health plan policy will result in a \$6.8 million annual budgetary impact, instead of the \$18.4 million annual budgetary impact if no changes were made. This assumes the post employment health plan is advance funded utilizing an irrevocable trust.

RECOMMENDATION: Recommend adoption of Resolution No. 2009.86

ADDITIONAL INFO: This policy reflects the recommendations of the OPEB (Other Post Employment Benefits) committee that was comprised of representatives from all employee groups and retirees and incorporates additional Council directives from the Council meeting of February 19, 2009. The policy specifies post employment health benefits for all current retirees and employees based on status and years of service as of June 30, 2009 with the new policy effective July 1, 2009. Amendments to the current Tempe Health Plan document remove references to retiree eligibility and premium contribution structures that are now covered under the new policy.